

MENDOCINO COUNTY ECONOMIC FORECAST

Mendocino County is located on the coast of Northern California. The county is noted for its distinctive Pacific Ocean coastline, Redwood forests, and wine production. Redwood Valley is the location of the principal wine growing region. Lake Mendocino is the largest recreational area offering year-round resident and visitor boating, fishing, water skiing, and hiking. Mendocino County has a population of 90,039 people and 30,170 wage and salary jobs. The per capita income in Mendocino County is \$33,460, and the average salary per worker is \$37,938.

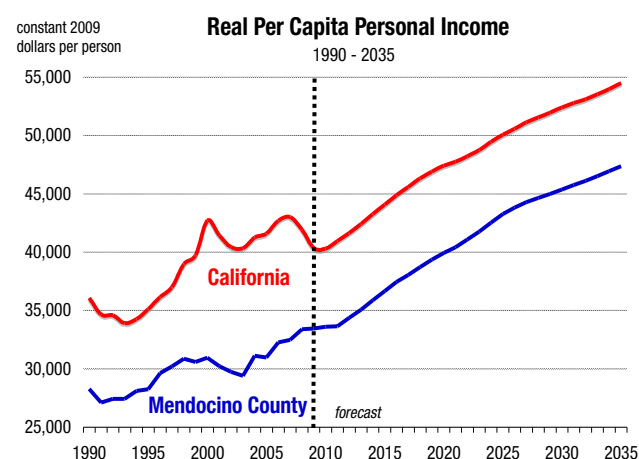
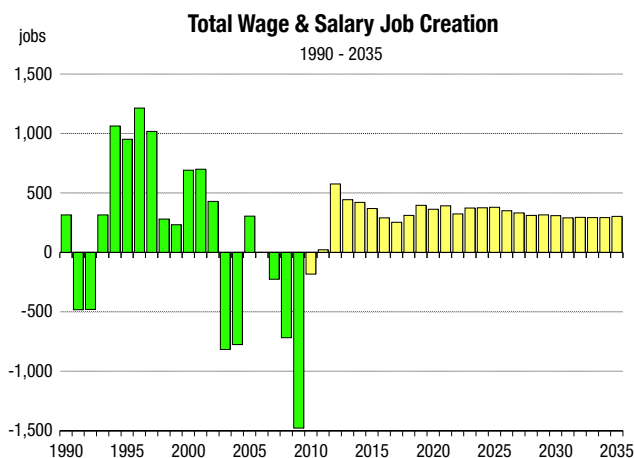
In 2009, total wage and salary positions declined by 1,478 jobs. Non-farm employment lost 1,353 jobs (-4.5 percent), while farm employment lost 125 jobs (-6.8 percent). The unemployment rate rose to 10.8 percent in 2009.

Professional services was the only sector to create jobs during 2009, increasing employment by 27 jobs or 1.5 percent. The largest employment declines came in the leisure (-360 jobs), retail trade (-320 jobs), government (-180 jobs), and manufacturing (-170 jobs) sectors. Manufacturing has now fallen to less than half of what it was ten years ago.

The population in Mendocino County was essentially unchanged in 2009. The largest city in the county is Ukiah, with 15,711 residents. Ukiah's population increased 0.2 percent between January 2008 and January 2009. Net migration was negative for the fifth straight year in 2009, with an estimated total of 317 migrants leaving the county.

FORECAST HIGHLIGHTS

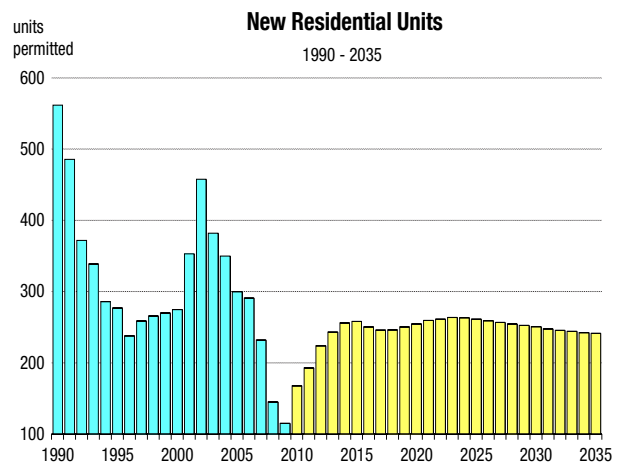
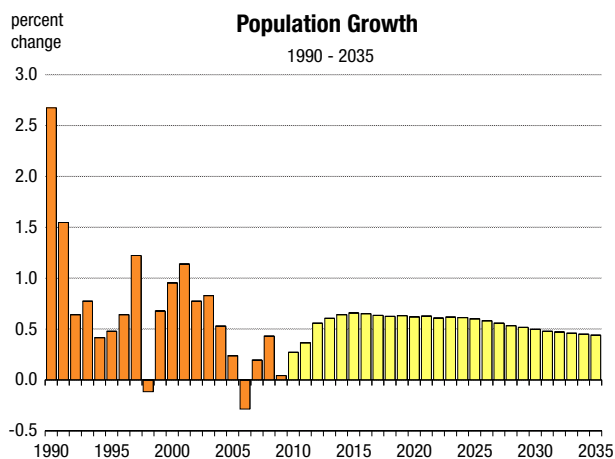
- Total wage and salary job growth will remain negative in 2010, as employment falls a further 0.6 percent. From 2010 to 2015, total employment growth rebounds, averaging 1.2 percent per year. Over that same period, non-farm growth averages 1.3 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year from 2010 to 2015.
- Between 2010 and 2015, the principle job creation will come from the education and healthcare, retail trade, leisure services, and professional services sectors. Together these sectors account for 75 percent of all job creation. The farm, manufacturing, and government sectors show almost no growth over the next five years.
- The population in the county will continue to grow, but at a much slower rate than the state average. Annual growth in the 2010 to 2015 period averages 0.6 percent per year.
- Net migration is expected to remain negative in 2010, with an approximately 100 migrants leaving the county. Over the next five years net migration is expected to average 155 migrants per year.
- Real per capita income is forecast to increase 0.4 percent in 2010. Between 2010 and 2015 real per capita incomes are expected to increase an average of 1.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase 2.7 percent in 2010. During the 2010 to 2015 period real taxable sales are forecast to increase by an average of 2.8 percent per year.
- Industrial production is forecast to fall 3.7 percent in 2010. From 2010 to 2015 the growth rate of industrial production averages 2.4 percent per year. Total crop production adjusted for inflation is expected to rise 0.4 percent per year between 2010 and 2015. The principal crop in the county is wine grapes.



Mendocino County Economic Forecast

2002-2009 History, 2010-2035 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	88,283	483	104.4	33.7	458	\$1.03	\$2.26	\$29,735	1.6	147.8	589.2	6.7
2003	89,015	420	104.2	34.1	382	\$1.06	\$2.29	\$29,402	1.8	136.1	590.6	6.9
2004	89,486	267	110.9	34.5	350	\$1.13	\$2.46	\$31,109	1.2	121.4	594.7	6.5
2005	89,698	-119	109.9	34.8	300	\$1.19	\$2.51	\$30,968	2.0	133.1	632.4	5.8
2006	89,441	-539	111.8	35.1	291	\$1.25	\$2.69	\$32,271	3.2	147.3	687.6	5.2
2007	89,615	-175	110.8	35.3	232	\$1.29	\$2.80	\$32,476	3.4	133.1	663.7	5.5
2008	90,001	-19	112.0	35.6	145	\$1.25	\$2.98	\$33,398	3.0	109.6	637.3	6.9
2009	90,039	-317	111.7	35.7	115	\$1.21	\$3.01	\$33,460	0.8	105.4	597.8	10.8
2010	90,284	-99	111.0	36.0	168	\$1.27	\$3.10	\$33,607	2.1	106.6	575.4	11.9
2011	90,615	-18	110.5	36.2	193	\$1.32	\$3.19	\$33,641	2.4	107.7	579.0	11.0
2012	91,120	149	110.6	36.4	224	\$1.38	\$3.34	\$34,373	2.1	108.2	595.8	9.4
2013	91,672	190	111.0	36.6	243	\$1.46	\$3.51	\$35,079	2.2	108.6	609.9	8.4
2014	92,261	221	111.7	36.8	256	\$1.54	\$3.69	\$35,873	2.2	108.9	627.5	7.4
2015	92,868	234	112.4	37.1	258	\$1.63	\$3.88	\$36,662	2.2	108.7	648.3	6.8
2016	93,474	229	113.3	37.3	250	\$1.72	\$4.07	\$37,446	2.2	109.3	667.8	6.3
2017	94,067	214	114.1	37.5	246	\$1.80	\$4.26	\$38,051	2.2	109.6	689.3	6.2
2018	94,655	208	115.0	37.8	246	\$1.88	\$4.46	\$38,730	2.2	110.0	713.5	6.1
2019	95,253	219	115.9	38.0	250	\$1.97	\$4.66	\$39,365	2.2	110.5	740.6	5.9
2020	95,843	214	116.9	38.2	255	\$2.07	\$4.86	\$39,944	2.1	110.2	774.0	5.8
2021	96,444	227	118.0	38.4	260	\$2.16	\$5.07	\$40,435	2.5	109.9	803.5	5.7
2022	97,030	220	119.0	38.7	261	\$2.25	\$5.32	\$41,074	2.6	110.5	832.4	5.6
2023	97,630	241	120.1	38.9	264	\$2.35	\$5.58	\$41,758	2.5	110.9	862.9	5.5
2024	98,228	245	121.2	39.2	263	\$2.45	\$5.85	\$42,530	2.4	111.5	895.7	5.4
2025	98,818	245	122.3	39.4	261	\$2.56	\$6.14	\$43,280	2.5	112.0	929.9	5.3
2026	99,394	238	123.4	39.6	259	\$2.67	\$6.41	\$43,826	2.5	112.2	965.6	5.2
2027	99,949	224	124.5	39.9	257	\$2.79	\$6.68	\$44,287	2.6	112.3	999.4	5.2
2028	100,483	212	125.5	40.1	255	\$2.91	\$6.96	\$44,648	2.8	112.6	1033.2	5.1
2029	101,003	205	126.5	40.4	253	\$3.04	\$7.24	\$45,002	2.7	112.8	1068.0	5.1
2030	101,504	196	127.5	40.6	251	\$3.17	\$7.54	\$45,377	2.7	112.5	1104.4	5.0
2031	101,989	186	128.5	40.8	248	\$3.30	\$7.84	\$45,755	2.7	112.2	1140.4	4.9
2032	102,469	187	129.4	41.1	246	\$3.44	\$8.15	\$46,126	2.7	112.9	1176.7	4.9
2033	102,941	183	130.3	41.3	244	\$3.59	\$8.48	\$46,521	2.7	113.5	1213.9	5.0
2034	103,403	177	131.3	41.5	242	\$3.74	\$8.83	\$46,938	2.7	114.1	1252.2	5.1
2035	103,859	173	132.2	41.8	241	\$3.90	\$9.19	\$47,380	2.7	114.2	1291.7	5.1

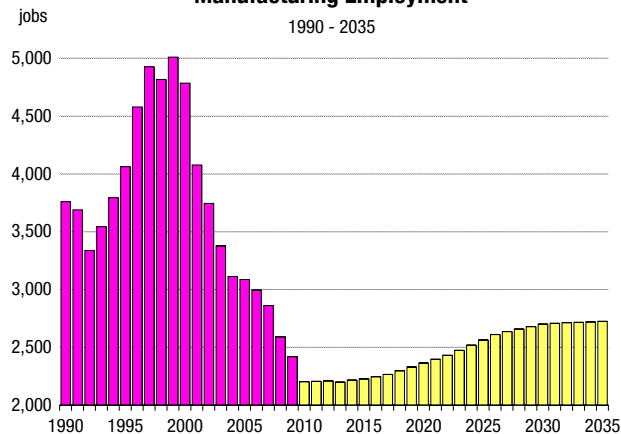


Mendocino County Employment Forecast

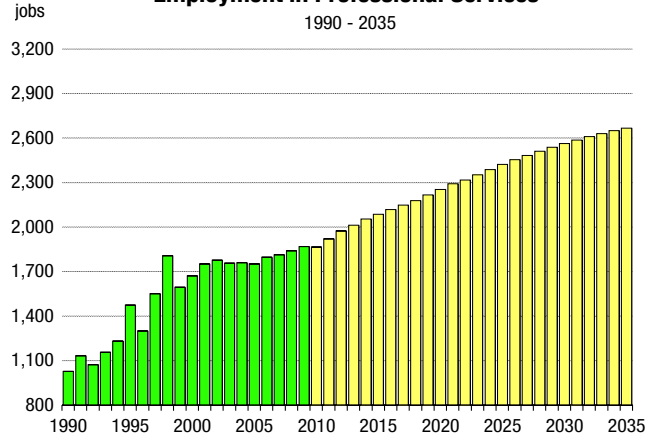
2002-2009 History, 2010-2035 Forecast

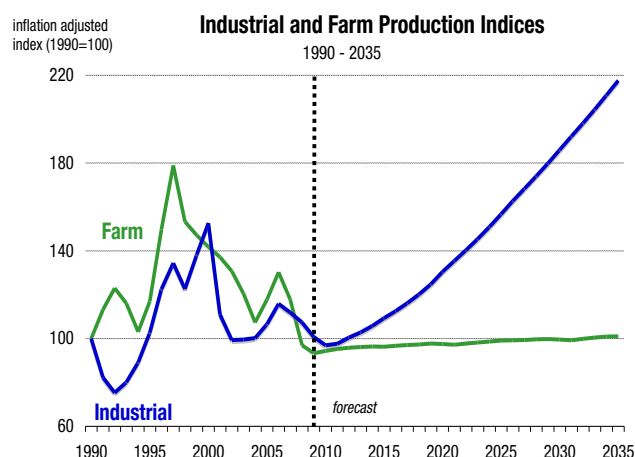
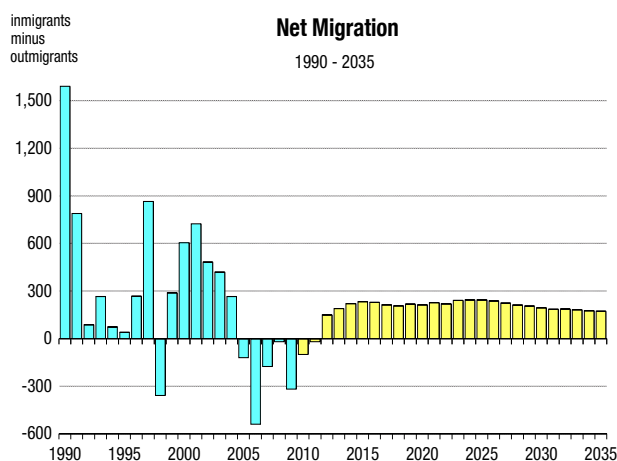
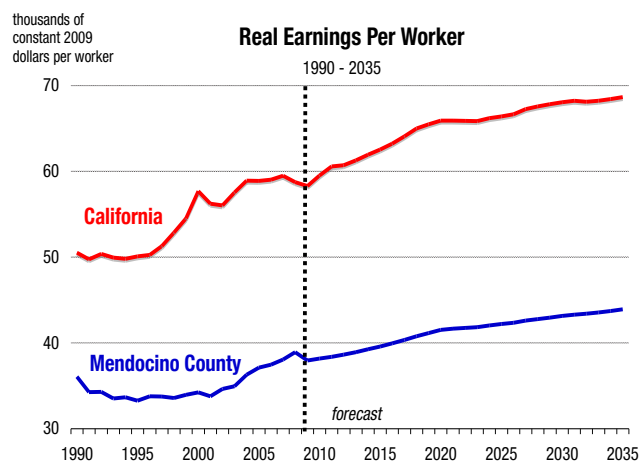
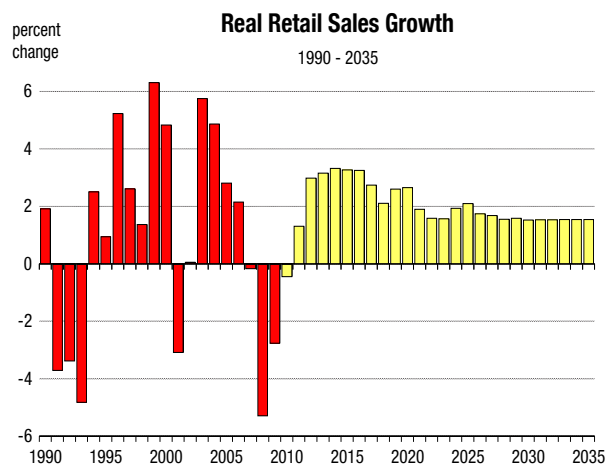
	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2002	33.9	2.34	1.7	3.7	0.7	5.3	1.2	1.8	0.5	3.6	4.1	7.7
2003	33.1	2.17	1.6	3.4	0.7	5.2	1.2	1.8	0.5	3.4	4.1	7.8
2004	32.3	2.24	1.5	3.1	0.7	5.3	1.2	1.8	0.5	3.5	4.1	7.4
2005	32.6	2.08	1.5	3.1	0.6	5.4	1.2	1.8	0.4	3.8	4.2	7.4
2006	32.6	2.09	1.6	3.0	0.6	5.3	1.3	1.8	0.4	3.7	4.2	7.5
2007	32.4	2.01	1.5	2.9	0.6	5.4	1.2	1.8	0.4	3.8	4.2	7.5
2008	31.6	1.84	1.3	2.6	0.6	5.3	1.2	1.8	0.4	3.8	4.0	7.6
2009	30.2	1.72	1.2	2.4	0.6	4.9	1.2	1.9	0.4	3.7	3.6	7.4
2010	30.0	1.65	1.3	2.2	0.6	5.0	1.2	1.9	0.4	3.8	3.7	7.3
2011	30.0	1.65	1.3	2.2	0.6	5.1	1.2	1.9	0.4	3.9	3.7	7.0
2012	30.6	1.65	1.3	2.2	0.6	5.2	1.2	2.0	0.4	4.0	3.8	7.2
2013	31.0	1.66	1.3	2.2	0.7	5.3	1.2	2.0	0.4	4.1	3.9	7.3
2014	31.5	1.66	1.3	2.2	0.7	5.3	1.2	2.1	0.4	4.2	3.9	7.4
2015	31.8	1.66	1.3	2.2	0.7	5.4	1.2	2.1	0.4	4.3	4.0	7.4
2016	32.1	1.65	1.3	2.2	0.7	5.4	1.2	2.1	0.4	4.4	4.1	7.4
2017	32.4	1.62	1.3	2.3	0.8	5.5	1.2	2.1	0.4	4.5	4.1	7.4
2018	32.7	1.59	1.3	2.3	0.8	5.5	1.2	2.2	0.4	4.6	4.2	7.4
2019	33.1	1.56	1.3	2.3	0.8	5.6	1.2	2.2	0.4	4.8	4.3	7.5
2020	33.4	1.54	1.3	2.4	0.8	5.6	1.2	2.3	0.4	4.9	4.3	7.6
2021	33.8	1.54	1.3	2.4	0.8	5.7	1.3	2.3	0.4	5.0	4.4	7.7
2022	34.2	1.54	1.4	2.4	0.9	5.7	1.3	2.3	0.4	5.0	4.4	7.7
2023	34.5	1.54	1.4	2.5	0.9	5.7	1.3	2.4	0.4	5.1	4.5	7.8
2024	34.9	1.55	1.4	2.5	0.9	5.8	1.3	2.4	0.4	5.2	4.6	7.8
2025	35.3	1.55	1.4	2.6	0.9	5.8	1.3	2.4	0.4	5.3	4.6	7.9
2026	35.6	1.55	1.4	2.6	0.9	5.9	1.3	2.5	0.4	5.3	4.7	8.0
2027	36.0	1.55	1.4	2.6	0.9	5.9	1.3	2.5	0.4	5.4	4.7	8.1
2028	36.3	1.56	1.4	2.7	1.0	5.9	1.3	2.5	0.4	5.4	4.8	8.2
2029	36.6	1.56	1.4	2.7	1.0	6.0	1.3	2.5	0.4	5.5	4.8	8.3
2030	36.9	1.56	1.4	2.7	1.0	6.0	1.3	2.6	0.4	5.5	4.9	8.5
2031	37.2	1.56	1.4	2.7	1.0	6.1	1.3	2.6	0.4	5.5	4.9	8.6
2032	37.5	1.57	1.4	2.7	1.0	6.1	1.3	2.6	0.4	5.5	5.0	8.7
2033	37.8	1.57	1.4	2.7	1.0	6.1	1.4	2.6	0.4	5.5	5.1	8.9
2034	38.1	1.57	1.3	2.7	1.0	6.2	1.4	2.7	0.4	5.5	5.1	9.0
2035	38.4	1.58	1.3	2.7	1.0	6.2	1.4	2.7	0.4	5.6	5.2	9.1

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	14.9%
Expected job growth:	6.1%
Fastest growing jobs sector:	Transportation, Warehousing, Utilities
Expected personal income growth:	12.2%

Expected population growth:	2.9%
Net migration to account for:	30.0%
Expected growth in number of vehicles:	1.3%

Demographics (2009)

Unemployment rate (December)	11.5%
County Rank* in California (58 counties):	19th
Working age (16-64) population:	65.6%

Population with B.A. Degree or higher:	20.2%
Median Home Selling Price:	\$291,253
Median Household Income:	\$44,175

Quality of Life

Violent Crime rate (2008):	624 per 100,000 persons
County Rank* in California (58 counties):	49th
Average Commute Time to work (2009):	21.7 minutes

High School drop out rate (2008):	18.9%
Households at/below poverty line:	11.3%

* The county ranked 1st corresponds to the lowest rate in California